GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:886
ANSWERED ON:20.07.2017
Insurance Premium Paid by Air India for Grounded Aircraft
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether insurance premium paid by Air India for grounded aircrafts have increased in the country during each of the last three years;
(b) if so, the details thereof and the reasons therefor along with the reaction of the Government thereto;
(c) the total number of such grounded aircrafts along with leased grounded aircrafts in Air India, as on date;
(d) the number of leased grounded aircrafts handed over to the lessor by Air India along with the amount of insurance premium saved on such leased aircrafts during the said period;
(e) whether the Government has received suggestions from various quarters to reduce expenditure on insurance premium of grounded aircrafts during the said period;and
(f) if so, the details thereof along with the action taken/being taken by the Government on such suggestions so far?

Answer

The Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a) to (c): The details of the insurance premium paid for the last three years together with the insurance premium paid on the grounded aircraft is available at Annexure. In comparison to the total premium paid, the premium paid on Grounded aircraft is negligible and is reducing year by year. Also, in case of grounded aircraft Air India is required to pay only 30% of the flying premium rate.;

(d): The Savings on Insurance Premium due to Grounded Aircraft after it has been handed over to the Lessor by Airline Allied Services Ltd. are as follows :

1) CRJ -700 Aircraft, VT-RJC
Financial Year 2015-16 : Rs. 6,27,115.38
2.) ATR-42 Aircraft, VT-ABD;
Financial Year : 2015-16: Rs.116309.32 ;
Financial Year : 2016-17: Rs.85811.88

(e) & (f): Aircraft being high value assets insuring the same is essential. The aircraft on ground remain exposed to all types of risk and it is a customary practice for airline operators to insure the grounded aircraft against own damage as well as third party liability risks. Air India has not received any suggestion in this regard.